

# THE BRITISH BROADCASTING CORPORATION

Head Office : Broadcasting House, London, W.1  
Caversham Park, Reading, Berks.

TELEPHONE : READING 72742

Reference:  
07.MS.MAF

STAT

[Redacted]  
F.B.I.S.,  
2430 E Street, NW,  
Washington 25, D.C.

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*Personal. Conf. Sust.*

Dear Alan,

Many thanks for your letter of 6th December. I suggest you do not close the door to this possibility for a week or two yet. The budget review is now on us with a vengeance. Rising costs are worse than ever and there is no evidence as yet to indicate whether in the current year we shall get additional funds to meet them.

While I do not wish to alarm you unduly, it is not beyond the bounds of possibility that we may be compelled to review our communications, including our expenditure of £25,000 p.a. on the Cyprus circuit. This might be preferable to making major curtailments in coverage. In these circumstances we should no doubt wish to discuss alternative arrangements: hence my advice that these other possibilities should be kept ~~alive~~.

I hope we may see our way more clearly by the end of January.

Yours sincerely,

*M. A. Frost*

*P.S. We shall of course consult you before any irrevocable decisions are taken as promised.*